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REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

BERMUDA

Working paper prepared by the Secretariat

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BERMUDA 1/

I. GENERAL

1. Bermuda is located in the western part of the Atlantic Ocean about 917 kilometres east of Cape Hatteras on the North Carolina coast of the United States of America.

2. The Territory has a total area of 53.35 square kilometres and consists of 150 islands and islets extending from north-east to south-west along the edge of an extinct, submarine volcano. Many of the islands are uninhabited and rise above sealevel to an average height of 30 metres and a maximum elevation of 86 metres. The terrain is generally hilly, with fertile depressions and some marshy areas. The largest island is about 22.5 kilometres long and has a maximum width of 3.2 kilometres. It covers an area of about 3,650 hectares, consisting mostly of a fertile shallow valley. About one tenth of the total land area is currently leased to the United States Government for military bases.

3. There are no freshwater lakes or rivers in Bermuda. The climate is generally mild and humid, with a mean annual temperature of 21 degrees centigrade. It is influenced by the presence of the Gulf Stream nearby, which warms both the water and the air, thus permitting the unique existence of coral animals in such northern latitudes. The average depth of soil throughout the islands is about 10 centimetres. The soil consists mainly of shell-bearing coral sands of a reddish brown colour. The average annual rainfall is 1,470 millimetres. The hurricane season runs from June to November. Although Bermuda had not been affected by hurricanes for nearly a quarter of a century previously, it suffered damage from hurricanes in 1987 and 1989.

4. According to preliminary results from a census conducted in the Territory in May/June 1991, the civilian population of the Territory increased by 9 per cent between 1980 and 1991, to 60,565 persons. 2/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. General

5. The Constitution of the Territory, adopted in June 1968 and amended in 1973, 1979 and 1989, contains provisions relating to the protection of fundamental rights and freedoms of the individual; the powers and duties of the Governor; and the composition, powers and procedure of the Legislature, the Executive, the Judiciary and the public service.

6. The Government of Bermuda consists of a Governor, a Deputy Governor, a Cabinet and a bicameral Legislature comprising a Senate and a House of Assembly. The Governor, appointed by the Queen, is responsible for defence, external affairs, internal security and the police. The Governor may delegate

some responsibilities in these areas to the Bermuda Government. In exercising his reserved powers, the Governor is required to consult with the Governor's Council, of which he is a member together with the Premier and two or three ministers nominated by the Premier. The Premier and his Cabinet, through the Legislature, have full responsibility for the Government, except where restricted by the Governor's reserved powers. The Secretary of the Cabinet, appointed by the Governor in accordance with a recommendation of the Premier, heads the public service and acts as Secretary to the Governor's Council.

7. Information on the most recent constitutional developments has been given in a previous working paper (A/AC.109/1025).

8. In January 1992, the Foreign and Commonwealth Office of the United Kingdom of Great Britain and Northern Ireland announced that the three-year term of office of Governor Desmond Langley, which expired in October 1991, had been extended for an undetermined period of time. 3/

9. On 1 November 1991, at the opening session of the Legislature, Governor Langley delivered the Speech from the Throne, which outlined government policies, as well as programmes to be implemented in the coming year. 4/

B. Political parties and elections

10. As previously reported, there are three political parties in the Territory: the United Bermuda Party (UBP), which is the governing party, the National Liberal Party (NLP) and the Progressive Labour Party (PLP). The last general election was held in 1989.

11. Information on the functioning of the House of Assembly and its composition since 1989 has been given in a previous working paper (A/AC.109/1025, paras. 20-23).

12. It was reported in February 1992, that the House of Assembly had overwhelmingly rejected an NLP proposal to allow students studying abroad to vote by proxy or by mail. According to the Minister for Home Affairs, the Government could not commit itself to the proposed legislation since there were persons other than students who could be entitled to a vote while overseas. NLP contended that UBP and PLP had turned the voting rights of 18-year-old persons into a political question by attempting to predict whom younger voters would support. 5/

C. Future political status

1. Position of the territorial Government

13. In November 1991, a PLP Member of Parliament delivered a motion in the House of Assembly calling for the question of independence to become an issue in the next general election. He declared that it was "a total anachronism that we should be seen as a colony". 6/

14. In response to the motion in the House of Assembly, the Premier of the Territory stated that he remained unconvinced that the majority of Bermudians wanted independence and added that his party (UBP) would not pursue the issue of independence as yet. He further stated that "when we are satisfied that there is a wish of the majority of people in Bermuda for independence then we will follow their wishes. At present we are not convinced that this is the case". 6/

15. The position of the PLP Member of Parliament in favour of reviving the question of independence was shared some months later by the Chairman of the Committee for the Independence of Bermuda, who spoke at a forum on independence which was held in the Territory in January 1992. The Chairman claimed that the United Kingdom was deliberately applying pressure on Bermuda to abolish the death penalty in order to provoke controversy. 7/

16. Further, in March 1992, upon his return from the United Kingdom, where he met with officials of the Foreign and Commonwealth Office, the leader of the Committee for the Independence of Bermuda renewed his call upon political parties to discuss openly the severance of ties with the United Kingdom. Specifically, the Committee called upon "the leaders of all three parties to either place on their electoral agendas, or further highlight, the independence issue ... This will in turn empower the post-election Government to discuss such matters with Britain". 8/

17. It was reported in The Financial Times of London that Governor Langley had made it clear that the United Kingdom Government would grant independence to Bermuda if it was convinced that the majority of Bermudians favoured independence. "Independence one day is inevitable", he stated, but added that Bermudians were "a conservative people and they have taken the view that they would sooner preserve the status quo for the time being". 9/

2. Position of the administering Power

18. In his statement before the Fourth Committee of the General Assembly on 23 October 1991, the representative of the United Kingdom said that the wishes of the people who lived in British dependent Territories were of primary importance and as such were used as the guiding principle in policy formulation by his Government. The United Kingdom took seriously its obligations under the Charter of the United Nations to develop self-government in its dependent Territories and, in cooperation with the locally elected Governments, to ensure that their constitutional frameworks continued to meet the wishes and aspirations of their peoples. His country also took seriously its obligations in responding to the economic needs of the people of the Territories. 10/

3. Action taken by the General Assembly

19. On 11 December 1991, the General Assembly adopted resolution 46/68, a consolidated resolution on 10 dependent Territories, a section of which was specifically devoted to Bermuda (46/68 B, sect. III). In the resolution, the Assembly, reaffirming its strong conviction that the presence of military bases and installations in the Territory could, in certain circumstances, constitute an obstacle to the implementation of the Declaration, called upon the administering Power to ensure that the presence of military bases and installations would not constitute such an obstacle nor hinder the population of the Territory from exercising its right to self-determination and independence. The Assembly, noting that following the general elections of 1989, the Prime Minister had stated that the question of independence was no longer a major issue and that his Government would pay special attention to the problem of drug trafficking and the laundering of illegally earned money, as well as to the question of overcrowding of the Territory, and noting also the view of the leader of the Opposition that independence would help to unify the people of Bermuda, called upon the administering Power, in cooperation with the territorial Government, to take measures to ensure the economic and social stability of the Territory and to counter problems related to drug trafficking. Further noting that no United Nations visiting mission had ever been to the Territory, the Assembly called upon the administering Power to facilitate the dispatch of such a mission.

D. External relations

20. In an address delivered at a meeting of the British-based Bermuda Society in November 1991, which was attended by a senior representative from the Foreign and Commonwealth Office, as well as by British-based Bermudians and financiers, Premier John Swan expressed the hope that as the United Kingdom Government moved closer to Europe it would not downgrade its relations with Bermuda and the rest of North America. He stated that, historically, Bermuda had played a role in holding the United States and Europe together, not only from a military point of view owing to Bermuda's strategic location in the North Atlantic, but also in the fields of commerce and communications. 11/

21. It was reported in November 1991 that Bermuda had resumed sporting links with South Africa in cricket and professional golf, as it brought its policies regarding South Africa in line with the rest of the Commonwealth. A decision had been taken by the Commonwealth Heads of Government at Harare gradually to lift sanctions against South Africa. Bermuda was still barred, however, from sporting contacts with South Africa in rugby. The Minister for Youth and Sports of Bermuda reportedly stated that the Government was reviewing economic sanctions against South Africa but had no plans to lift the ban on imports from that country or to trade in South African kruggerands. The Government's ban on cultural contacts with South Africa was under review although a change in policy in that regard would depend on the degree to which South African cultural events and organizations were desegregated. 12/

22. It was announced in February 1992 that 8 of the 12 countries members of the European Community had waived or abolished visa requirements for Bermudians who wished to visit those countries. Three countries which do not belong to the European Community, namely, Iceland, Norway and Sweden, had also taken the same action. 13/

E. Public service

23. In his budget speech delivered to the House of Assembly on 19 February 1992, the Minister for Finance stated that in keeping with the territorial Government's programme of cost control, no additional funds had been allocated to government departments and semi-governmental organizations in the 1992/93 budget estimates. 14/ The cost-cutting measures were expected to result in a B$ 17 million decrease in government expenditure. 15/ The Government would spend only on programmes and services designed to offset the adverse effects of the recession. In the public service and in semi-governmental organizations, an already determined number of funded posts would continue to be frozen. In addition, a critical examination would be made of the need to fill posts vacated through retirements, resignations or the termination of contracts, and the number of funded positions would be reduced largely by attrition by the end of fiscal year 1992/93. 14/

24. The Minister for Finance once again announced that although Members of Parliament last received a salary increase in 1987, the current economic climate did not permit an increase in the 1992/93 fiscal year. When the economic situation improved, however, future increases would be paid in line with inflation. 14/

III. MILITARY INSTALLATIONS

25. Canada, the United Kingdom and the United States maintain military installations in Bermuda. Information relating to foreign military activities in the Territory is set out in document A/AC.109/1103.

26. During the period under review, 56 Bermuda Regiment soldiers completed an intensive six-month training course which included a field trip to Canada. Following completion of the course the soldiers were promoted to the grade of lance corporal. 16/

IV. ECONOMIC CONDITIONS

A. General

27. Bermuda has no natural resources in the conventional sense upon which to build a viable economy. Over the years, however, it has capitalized on its location and scenic beauty and has developed a thriving tourist industry which accounts for about 55 per cent of the Territory's economic activity. The international business industry also makes a significant contribution to the

economy of the Territory, accounting for 40 per cent of its economic activity. In 1987, it was estimated that 4 per cent of economic activity was derived from the United States Naval Air Station. 9/

28. The manufacturing and agricultural sectors in the Territory are limited. Local manufacturing industries include printing, fish processing and ship repair, as well as the manufacture of paint and pharmaceuticals. In recent years, the Government has attempted to attract high-technology firms to Bermuda, in an effort to develop a centre for computer technology in the Territory and to increase business for locally based computer companies. Agricultural activity is constrained by the small amount of land available for farming (see para. 66).

29. The sale of services to tourists and to international businesses accounts for almost all of the Territory's foreign exchange earnings. Owing to the structure of the economy, the world economic situation has a direct impact on the Territory's economic performance. In 1991, however, despite the global recession and the downturn in the local economy, the Government managed to keep services at a high level and to provide additional financial assistance both to those in need and to social and rental subsidy programmes. 14/

30. An annual government Economic Review released early in 1992 on the Territory's short-term economic prospects stated that it was unlikely that tourism would improve in 1992; that international business was likely to be less robust; and that more redundancies and lay-offs could be expected in wholesale and retail businesses. 17/

31. Reportedly, international company business performed well in 1991. With the substantial decline in tourist arrivals in 1991, however, the local economy was faced with reduced domestic demand for goods, compared to the years 1986 to 1988, when there was sustained high domestic consumption and production. It is estimated that in 1991/92, the real gross domestic product contracted by some 4 per cent, compared with a 2.6 per cent contraction for fiscal years 1989/90 and 1990/91 combined. 14/

32. In presenting the 1992/93 budget estimates in February 1992, the Minister for Finance stated that the new budget would continue to provide an economic base to support and, where necessary, to facilitate the expansion of programmes which could offset the effects of the local recession. The territorial Government was also committed to reducing its recurrent expenditure, helping to stimulate job opportunities in the community, assisting those in financial need and softening the effects of the recession. 14/

33. Press reports indicated that inflation in Bermuda had held steady at 2.7 per cent in November and December 1991, a significant decrease over the figure of 6.7 per cent in 1990, and the lowest since July 1977 when the consumer price index increased by 2.9 per cent. 18/ In his budget speech, the Minister for Finance said that the low inflation rate had been accompanied by a marked reduction in local demand and consumption of goods. Consequently, in

1991, the retail sales sector had decreased by 8.5 per cent in nominal terms, and 10.9 per cent in real terms after the effects of inflation were taken into account. 14/

34. The Minister for Finance further stated that in keeping with the Government's commitment to its programme of Economic Stability and Responsible Management, the territorial Government had taken a number of steps to manage the country through the recession. In that regard, he announced a proposal to establish in the near future a task force comprised of representatives from the private sector who would work closely with the Government to determine what other steps could be taken to stimulate the economy and improve the current unprecedented unemployment situation. 14/

B. Public finance

35. Revised estimates of revenue for fiscal year 1991/92 were B$ 344.6 million, some B$ 17 million or 4.7 per cent less than the original estimate. Total current expenditure for 1991/92 exceeded B$ 321.5 million, some $1 million less than the original figure appropriated by Parliament. 14/

36. The decrease in revenue in 1991/92 could be attributed to several factors. According to the Minister for Finance, an anticipated reduction of approximately B$ 9 million in customs duty accounted for more than half of the decline in revenue. Also, receipts from a hospital levy had decreased, and the intake from an employment tax was lower owing to an increase in unemployment and in the number of persons placed on reduced working hours. In addition, the hotel occupancy tax was expected to produce B$ 2 million less in revenue than anticipated (a 16 per cent reduction). 14/

37. With regard to the 1992/93 budget, revenue projections were put at B$ 354.9 million; estimated current account expenditure was B$ 329 million, representing $6.5 million or 2 per cent above the original estimate for 1991/92. The major areas in which funds would be spent were: Ministry of Health, Social Services and Housing, B$ 76.2 million or 23.2 per cent of the current account budget; Ministry of Education, B$ 54.4 million, or 16.5 per cent; Ministry of Finance B$ 42.8 million, or 13.0 per cent; Ministry of Labour and Home Affairs, B$ 37.6 million, or 11.4 per cent; Ministry of Works and Engineering, B$ 33.5 million, or 10.2 per cent; and Ministry of Tourism, B$ 28.7 million, or 8.7 per cent. Capital expenditure in 1992/93 was projected at B$ 78.6 million. 14/

38. In 1992/93, in order to compensate for the erosion of the tax yield as a result of inflation, the Government planned to raise an additional $8.2 million in revenue, by means of adjustments to the taxation of some revenue-generating items. In that regard, a bill calling for increased duties on alcohol, tobacco and gasoline was tabled. Some government fees and licence fees for banks were also increased. Adjustments were also proposed to the Customs Tariff Act, the Stamp Duties Act and the Foreign Currency Purchase Tax Act, 1975, for the purpose not only of raising revenue but also of improving legislation. 14/

C. Banking

39. During the period under review, the Bermuda Monetary Authority issued a new, voluntary Code of Conduct to local banks and deposit companies. This action was taken to protect Bermuda's reputation and to provide added protection to the banking industry. The Code, which addresses the need for awareness of and vigilance by financial institutions regarding money laundering techniques, provides a system for reporting suspicious transactions to senior management and was designed as a preventive measure against money laundering. 19/

40. The Bermuda Monetary Authority has reportedly lifted two regulations concerning the ownership by Bermudians of foreign currency assets. As a result, certificates of title to foreign currency assets owned by Bermudians will no longer have to be deposited at local banks. This liberalization of exchange control is in line with principles of the Organisation for Economic Cooperation and Development. 20/

41. According to a report in The Financial Times, the Bermuda Government planned to expand the offshore trust business which is restricted at present to the Territory's three banks and to three law firms. The plan is to license up to a dozen major international trust companies, which would be subsidiaries of foreign banks. Although the companies would not actually receive banking licences which are reserved for local banks, the trust licences to be granted would allow them to transact most of their business in an offshore centre. This action is being taken in the expectation that the Territory would derive more benefit from the transactions of exempted companies whose assets total $60 billion. 9/

42. According to the same report, the Bank of Bermuda has established branches in Luxembourg and New York and planned to start an operation in Dublin in order to gain access to European Community markets. 9/ Also, the Bank of Butterfield has reportedly obtained a branch banking licence in London. 20/

43. Reacting to the announcement by the Minister for Finance that their licence fees would increase by almost 200 per cent, officials of the Bank of Butterfield and the Bank of Bermuda warned that the new tax would have a severe impact on the prices of all imports to the Territory. 17/

D. International business

44. The contribution made by international companies to Bermuda's economy is as important to the economic welfare of the Territory as the income it derives from its main industry, tourism. With a decline in revenue from tourism in the past year, the Bermuda Government has focused its energy on ensuring that the Territory remains an attractive location for international companies and on increasing the contributions made by this sector to the economy of the Territory. 9/

45. One important step taken by the Government to that end was the abolition in 1990 of stamp duties which had previously been paid by all exempted foreign companies. The Government recognized that the imposition of stamp duties had not only proved unpopular, but might have been a deterrent to the incorporation of new businesses. The Government planned to recover some of the lost revenue by imposing an employment tax on international companies. The Government has also changed the structure of its company fee schedule to make it more progressive, so that larger companies pay higher fees. For companies registered but with no physical presence in the Territory (some 96 per cent of international companies), company fees are the only payment required by the Government. 9/

46. The revisions to tax legislation were intended to ease the burden of costs on international companies and ensure that they did not receive unfair treatment compared to domestic firms. The Government made a further concession to insurance companies, which stood to lose most under the reforms owing to their size and the nature of their business, by reducing by half the annual insurance business fee. 9/

47. In his budget speech, the Minister for Finance stated that representatives of the Government and of the business sector had been meeting regularly to consider ways in which the industry could be diversified and expanded. He declared that there were employment opportunities for Bermudians in international business and that cooperation between the Government and business sectors could result in increased jobs in the international business sector. 14/ It was reported that during the period under review, the Bermuda International Business Association began to develop a strategic plan for the future development of the Territory's international business industry. 21/

48. According to the Minister, international company business performed satisfactorily in 1991. During that year, 696 new international businesses registered in the Territory, bringing the total number of such businesses on the register at the end of 1991 to 7,090, an increase of 1.3 per cent. In order to encourage growth in this sector, provision was made in the 1992/93 budget estimates for an additional $200,000 to be made available to the Registrar of Companies for the promotion of international business. 14/

49. The Captive Insurance Company Reports, a publication which provides comprehensive data on the industry, reportedly stated in its November/December issue that Bermuda had maintained an overwhelming lead in new captive insurance company formations. The publication reported that of 26 new captive insurance companies which had been formed world wide, 15 were registered in Bermuda and the remaining 11 were registered in six other countries. 22/ In 1991, following three years of decline, the total number of international insurance companies registered in Bermuda rose to 1,323. According to the Registrar of Companies, in 1990, the value of total gross written premiums rose to B$ 13.027 billion, an increase of 8.9 per cent or B$ 1.068 billion over the 1989 figures; net premiums increased by B$ 705 million or 7.5 per cent to B$ 10.114 billion; total assets increased by 7.9 per cent or B$ 3.5 billion to B$ 48 billion; and capital and surplus rose by B$ 803 million or 4.6 per cent to B$ 18.2 billion. 23/

50. Other press reports stated that more than half of the 500 largest companies in the world had captive insurers registered in Bermuda, and that the Territory displayed "undisputed leadership" in its role as the "operations capital for many companies with a network of captives in other domiciles". The article added that specialization and financial strength were the keys to Bermuda's continued viability and increasing importance in the reinsurance sector. 24/

E. Transport and communications

51. As previously stated (A/AC.109/1063, para. 49), the only airfield in Bermuda is located at the United States Naval Air Station and, since 1948, has been used for civilian purposes under an agreement between the Governments of the United States and the United Kingdom.

52. The Territory is served by six international airlines, namely, Air Canada, American Airlines, British Airways, Continental Airlines, Delta Airlines and USAir. In November 1991, American Airlines announced that it would suspend its New York-to-Bermuda service in the winter as part of an overall cost-cutting measure. The suspension of service was to last from 11 January to 14 March 1992. 24/ Also, British Airways announced that it was ending its Bermuda-to-Florida (United States) connection, and that it had been experiencing losses on its London-to-Bermuda route, a situation which had led the airline to reduce its flights to the Territory from six to two per week. 25/

53. In response to the cutbacks by British Airways, the Bermuda Chamber of Commerce endorsed a proposal to explore the possibility of establishing a local air carrier. 22/ Also, in the Throne Speech, the Governor announced that the Government would soon release the results of a study which explored options for improved air service between Bermuda and the United Kingdom and Europe. 4/

54. Communications links between Bermuda and the rest of the world are provided exclusively by Cable and Wireless (West Indies), Ltd. Services provided to business and residential users include international telephone and telex services; international data access services which allow subscribers to access computer databases overseas; electronic mail; international leased circuits which provide private communication lines to customers with large volumes of voice and data traffic; live telecasting; and video-conferencing. 9/

55. According to press reports, the Bermuda Telephone Company has completed the first stage of a project entitled "Vision 2000" to install the world's first synchronized optical-based telecommunications network. The network would enable locally based businesses and residents to receive voice data and full motion video images while using the telephone. The network is to be extended island-wide by 1998. This development is expected to give Bermuda a competitive advantage in the global market. 26/

56. It was also reported that following legislative changes which took effect in January 1992, the Government had issued six licences to private companies to provide mail-handling services. The amended Post Office Act, 1900, would permit companies other than the Post Office to collect and deliver mail. 27/

F. Tourism

57. According to the Bermuda Quarterly Bulletin of Statistics, the decline in regular visitor arrivals continued in 1991 as the number of tourists visiting the island decreased by 11.3 per cent to 79,537. Total air arrivals also decreased to a record low of 384,046 (compared to 433,634 in 1990). The 1991 figures were the lowest recorded since 1973 when air arrivals numbered 384,474. 28/ Cruise-ship visitors increased, however, by 13.9 per cent in 1991 to 127,568, compared to 112,000 in 1990. 14/

58. During the first nine months of 1991, visitor expenditure declined by 8.6 per cent in nominal terms to B$ 338.1 million, compared to the sum of B$ 369.9 million over the same period in 1990. Cruise-ship visitors, however, increased their spending, with per capita spending reportedly increasing from B$ 183 in 1990 to B$ 211 in 1991. 29/

59. In keeping with its aim of minimizing the ecological impact of tourism and promoting that industry for the benefit of Bermuda, the Government reduced the number of cruise-ship visitors to 120,000 per year by limiting visiting ships to four per week, with no cruise ships calling on weekends. It was reported in November 1991, however, that the Chamber of Commerce had petitioned the Minister for Tourism to allow more passengers into the Territory and to permit weekend cruise visits. 20/ It was subsequently reported that a government team, which included the Premier and the Minister for Tourism, had met with representatives of cruise-ship companies and held a positive first round of talks concerning the industry in the hope of easing restrictions governing the cruise-ship policy. 30/

60. In 1991, the tourist sector continued to be affected by the economic recession in the United States, which is a major tourist market, as well as by the reduced number of airline seats available to transport tourists to the Territory. The reduction in airline seats was a result of the collapse of Pan American Airways, a reduction of flights by British Airways and the suspension of service by American Airlines (see para. 52). 31/

61. During 1991, the hotel occupancy rate in the Territory was 60 per cent. 17/ Data provided by the Bermuda Hotel Association reflected a total loss of B$ 17.5 million by eight major hotels for the 12-month period ended in September 1991. 14/

62. Several large hotels reportedly took advantage of the reduced demand and closed during the winter months to redecorate and refurbish in order to meet new government-imposed standards of quality. Also, two large hotels, the former Club Méditerrané and the Bermudiana, have not been in use for several

years. They are to be replaced by a new 400-room hotel which is to be built on the south shore. Even with the construction of this new hotel, the number of hotel beds in the Territory will not exceed the 10,000 limit set by the Government. 9/

G. Shipping

63. Hamilton, the main port of Bermuda, offers modern facilities and docks which can accommodate vessels of up to 8 metres in draught. It has approximately 750 metres of berthing space and some 4,000 square metres of shed space. There is also a container park of 2.23 hectares and 322 kilometres of quay, in addition to two other modern port facilities. On the northern side of the island of St. George, Esso Bermuda operates an oil terminal. On Ireland Island, the United Kingdom Royal Navy operates and controls a large area of berthing space, which is used by visiting warships and nuclear-powered submarines of the North Atlantic Treaty Organization (NATO).

64. The port of Hamilton is a port of British registry where ships have been registered since the 1790s and where a substantial number of ships have been registered in recent years. Under the Merchant Shipping Order of 1989, which affected all United Kingdom dependencies and dependent Territories, Bermuda was categorized as an A-1 unlimited tonnage registry.

65. The shipping registry plays an increasingly important role in the Territory's international business sector. Registration of ships results in direct and indirect employment in both the government and private sectors. It also provides substantial revenue to the Government. The increase in tonnage came about as a result of efforts by the Government of Bermuda to make the registry both reputable and competitive.

H. Agriculture and fisheries

66. Although the climate of the Territory is conducive to agricultural development, the small amount of land available for this purpose (some 251 hectares) permits only small-scale farming. The system developed in the Territory is that of "small market gardening holdings", and growers normally sell their produce directly to the consumer. In some cases, however, the Government provides marketing assistance.

67. A Fisheries Amendment Act was reportedly introduced in the House of Assembly putting in place a new Fisheries Board which would handle all fishing and marine resource matters. 24/

68. In January 1992, the Government extended a final invitation to fishermen to participate in experimental spiny lobster fishing. The experiment is being conducted to determine the feasibility of developing a lobster-only fishery. 32/

V. SOCIAL CONDITIONS

A. Environment

69. In the Throne Speech, the Governor stated that air quality standards would be established for Bermuda. The standards would be developed as subsidiary legislation to the Clean Air Act, 1991, and presented to the House of Assembly for passage. 4/

70. According to press reports, the Development Applications Board granted approval for an incinerator to be constructed at Tynes Bay on condition that a recycling programme be implemented. The Government subsequently announced that an island-wide recycling programme would be implemented in June 1992 following consultation with the public. 33/

71. It was reported that the territorial Government had favourably considered a proposal by the United Kingdom to include Bermuda in a treaty which would ban the production and use of chemicals that damage the ozone layer in the atmosphere. According to the terms of the Montreal Protocol on Substances that Deplete the Ozone Layer, signatories to the Treaty would be barred from exporting to Bermuda chemicals deemed harmful to the environment. 20/

B. Drug prevention

72. According to press reports of July 1991, Bermuda's illegal drug trade has reached an estimated US$ 70 million a year. The Police Commissioner stated that although there was no scientific formula for estimating the size of the Territory's drug trade, the National Drugs Intelligence Unit in the United Kingdom operated on the premise that the amount of drugs seized is normally 10 per cent of the volume and value of drugs in circulation. According to the Commissioner, in 1990, police seized 9 kilograms of cocaine, 0.103 kilograms of heroin and 76 kilograms of cannabis, all worth more than B$ 6 million. Also, an estimated B$ 22 million worth of cocaine was sold on the streets of Bermuda in 1991. 34/

73. In an attempt to combat drug use in the Territory, the Government conducted a study which recommended the implementation of a national drug strategy. The National Drug Strategy calls for the creation of a drug authority which would have overall responsibility for treatment services. The initial phase of the Strategy is to be funded through the use of existing resources in the Ministry of Health, Social Services and Housing. Also, an additional amount of B$ 85,000 has been allocated in the 1992/93 budget estimates for administrative support. 35/

74. A four-day Conference of Attorneys General of British Caribbean Dependent Territories on attempts to improve international cooperation in the anti-drug offensive was held in the Territory in March 1992. The Conference recommended future talks on drug interdiction between the Territories and the United States. 36/

C. Labour

75. The policy of the Government is to ensure that jobs are offered to Bermudians before they are filled by non-Bermudians, in order to ease unemployment and the impact of the recession. In September 1991, the Ministry of Labour and Home Affairs announced that two new measures would be implemented to combat growing unemployment in Bermuda. Under the new measures, the Immigration Department would withhold all applications for work permits, including renewals, until it was satisfied that the employers had received certification from the Government Employment Office that every effort had been made to find a Bermudian to fill the job. The second measure called for government employment desks to be set up at two hotels which were expected to be closed for a longer than usual period during the winter. The report also stated that the Government Employment Office had taken steps to keep a more accurate register of unemployed persons by updating the register at three-month intervals. 37/

76. In his budget speech, the Minister for Finance stated that the Government was determined to stimulate the creation of jobs, particularly in the construction industry. The 1992/93 budget estimates had allocated the sum of B$ 78.6 million for capital expenditure, which included three major projects. Those projects were expected to generate more than 200 jobs. 14/

77. As at the last week of August 1991, it was reported that the number of persons on the unemployment register had increased to 993, from 250 in December 1990. 37/

78. In November 1991, the House of Assembly voted unanimously to support a proposal for the Government to conduct a study on the feasibility of establishing an unemployment insurance programme. 38/

D. Health and social services

79. Health services are provided by the Ministry of Health, Social Services and Housing. Medical care is also provided by private practitioners and three government health clinics. Fees are charged for hospital care, and medical insurance is compulsory for all workers. A hospital levy covers the cost of services rendered by the hospitals to children under 16 years of age; indigent persons over 65 years of age pay 20 per cent of hospital costs.

80. In March 1992, it was reported that the Bermuda Hospitals Board (Hospital Fees) Amendment Regulations, 1992, had been passed, recommending an increase in both in-patient and out-patient fees effective April 1992. The House of Assembly had also passed the Hospitals Insurance (Deductions) Amendment Regulations concerning the right of employers to deduct a portion of standard insurance premiums, and the Hospital Insurance Amendment Act of 1992, which provides for supplementary funding to the Hospitel Insurance Fund through the Mutual Reinsurance Fund. 8/

81. In his budget speech, the Minister for Finance stated that in the 1992/93 budget estimates, the Social Assistance Programme within the Ministry of Health had been increased by B$ 1 million over the original budget for 1991/92 to B$ 3.7 million, in order to provide additional support for persons who were most seriously affected by the recession. An additional amount of B$ 750,000 had been added to the Housing Allowance Programme implemented by the Ministry, which helps more than 600 persons to meet rental costs. 14/

82. According to a World Health Organization report, the human immunodeficiency virus (HIV) infection rate in Bermuda is 57.9 per 100,000 persons. In terms of its population size, this infection rate is reported to be the second highest in the world. 39/ In February 1992, the Ministry of Health reported that as at 31 December 1991, it had recorded 192 cases of persons who were HIV positive; 158 persons had died from acquired immune deficiency syndrome (AIDS). The majority of HIV-infected persons were reported to be between 20 and 49 years of age. Three children have been identified as HIV positive, and 12 children have lost one or both parents to AIDS. 40/

VI. EDUCATIONAL CONDITIONS

83. Education is free and compulsory for all children between 5 and 16 years of age. The literacy rate in the Territory is 98 per cent. The teacher-to-pupil ratio for government schools is 1 to 20 in primary schools and 1 to 12 in secondary schools.

84. In the Throne Speech, the Governor stated that implementation of the Government's plan to restructure the school system was in its preparatory stage. Curriculum revision and development had begun, and the training of teachers for middle-level education would continue. Also, plans were being developed for the integration of students with special needs. 4/

85. As part of the restructuring of the school system, provision has been made for the upgrading of some existing schools to middle schools and for the construction of a new secondary school campus, as well as the upgrading of the Berkeley Institute to serve as a secondary school. Funds have also been provided for the next phase of the consolidation of the Bermuda College at the Stonington Campus. 14/

86. It was announced in September 1991 that a Bermuda College Committee would recommend that the hotel administration faculty at the College should offer a four-year degree management programme in tourism and hospitality management. Currently the College offers a three-year diploma course whose curriculum emphasizes hotel administration. 37/

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General on 13 April 1992 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ Caribbean Update, March 1992.

3/ The Royal Gazette (Hamilton), 21 January 1992.

4/ Ibid., 2 November 1991.

5/ Ibid., 8 February 1992.

6/ Ibid., 12 November 1991.

7/ Ibid., 3 February 1992.

8/ Ibid., 20 March 1992.

9/ The Financial Times (London), 14 October 1991.

10/ A/C.4/46/SR.11, paras. 9 and 10.

11/ Mid-Ocean News, 29 November 1991.

12/ The Royal Gazette (Hamilton), 22 November 1991.

13/ Ibid., 10 February 1992.

14/ Ibid., 20 February 1992.

15/ One Bermuda dollar (B$ 1.00) is equivalent to one United States dollar.

16/ The Royal Gazette (Hamilton), 29 July 1991.

17/ Ibid., 21 February 1992.

18/ Ibid., 12 February 1992.

19/ Ibid., 1 November 1991.

20/ Ibid., 15 November 1991.

21/ Ibid., 8 November 1991.

22/ Ibid., 15 January 1992.

Notes (continued)

23/ Ibid., 5 February 1992.

24/ Ibid., 5 November 1991.

25/ Ibid., 23 January 1992.

26/ Ibid., 10 October 1991.

27/ Ibid., 15 February 1992.

28/ Bermuda Department of Statistics, Bermuda Quarterly Bulletin of Statistics, March 1992.

29/ The Royal Gazette (Hamilton), 10 January 1992.

30/ Ibid., 27 January 1992.

31/ Ibid., 30 December 1991.

32/ Ibid., 11 January 1992.

33/ Bermuda Sun, 3 January 1992. See also The Royal Gazette (Hamilton), 9 November 1991.

34/ The Island Sun, 13 July 1991.

35/ The Royal Gazette (Hamilton), 20 and 22 February 1992.

36/ Ibid., 13 and 23 March 1992.

37/ Bermuda Sun, 6 September 1991.

38/ The Royal Gazette (Hamilton), 30 November 1991.

39/ Ibid., 8 January 1992.

40/ Ibid., 8 January and 24 February 1992.